

Remarks

Claims 1- 2, 6-15, 17, 25-31, and 47-66 are pending in the present application as of the mailing of the Office Action. Claims 67-72 are new.

The Office Action objects to Claim 1. Claim 1 has been corrected by amending the phrase “more than on life event” to read “more than one life event.”

The Office Action objects to the numbering of claims 49 – 68, which have been renumbered as claims 48 – 66.

The Office Action rejects Claims 6, 49-50, and 56-58 under 35 U.S.C. 112. Claims 6, 49-50, and 56-58 have been amended to correct the lack of antecedent basis.

The Examiner has also rejected Claims 1-2, 6-15, 17, 25-31, and 47-66 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,551,880 to Bonnstetter et al. in view of U.S. Patent No. 5,893,098 to Peters et al. and a publication by Sarchione et al.

The Examiner’s Rejections Under 35 U.S.C. 103(a) Should Be Withdrawn

A. The Office Action Has Not Met the Burden of Establishing a Prima Facie Case of Obviousness With Respect to Independent Claims 1, 15 and 52.

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. MPEP 2143.

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

1. There Is No Suggestion or Motivation To Combine Bonstetter and Sarchione

The Office Action continues to insist that there is some suggestion or motivation to include components of Sarchione within the method of Bonstetter. Incredibly, the Office Action argues that the motivation for the combination are the *diametrically opposed* approaches of each reference:

At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to include the aforementioned components of Sarchione within the method of Bonstetter with the motivation of increasing the accuracy of a prediction of an individuals [sic] *success* for a particular job (Bonstetter; col. 1 lines 33-36 and col. 2 line 13-22) and of accurately forecasting *dysfunctional* job behaviors which have high public visibility and produce high organizational scrutiny – such as that of law enforcement officers, therefore reducing the occurrences of these behaviors and reducing public outrage and rebuke (Sarchione; page 905, col 2, second full paragraph).

Office Action at page 8 (emphasis added).

It is nonsensical to assert that a person of ordinary skill in the art at the time of the invention, who has the Bonstetter reference and who is motivated to increase the accuracy of predicting job *success*, would consider the Sarchione reference, which teaches predicting *dysfunctional* job behaviors, and which is an approach that is diametrically opposed to the approach used in Bonstetter. It is equally nonsensical to assert that a person of ordinary skill in the art at the time of the invention, who has the Sarchione reference and who is motivated to accurately forecast *dysfunctional* job behaviors, would consider the Bonstetter reference, which

teaches predicting job *success*, and which is an approach that is diametrically opposed to the approach used in Sarchione.

In fact, as discussed below, the cited passage from Bonstetter clearly teaches *away* from Sarchione. Likewise, the cited passage of Sarchione teaches away from Bonstetter. Apparently, the Office Action fails to appreciate the gist of the claimed invention, namely, using an employment applicant's *life history information* (not behavior and/or values) to predict a *negative outcome* (not employment success) by extracting such life history information in a manner that does not alert the applicant to relationships between the questions about the applicant's life history.

The fundamental distinction between the mutually exclusive approaches of Bonstetter and Sarchione is well-documented in the employment applicant screening literature. The instruments used in connection with the two approaches are sometimes referred to as "qualifying" and "disqualifying" tests:

Pre-employment assessments generally include either qualifying of disqualifying tests. Qualifying tests include basic skills tests, cognitive ability and aptitude tests, physical ability tests and personality test indicators. Each of these tests is designed to determine whether or not an applicant is qualified for the job. Disqualifying tests work to screen out applicants that an employer doesn't want in the selection pool. Disqualifying tests may include drug tests, medical exams, and honesty and integrity tests.

Tulipana, Teresa, *Applicant Screening Processes: Lessons from the World of Work and Applications in for Education*, page 3, printed from www.people.ku.edu on February 3, 2004, Exhibit A hereto.

Moreover, the literature also stresses the importance of selecting an appropriate screening instrument: "Determining the type of test to use is critical and requires the employer to look at the job description to identify the tasks and duties to be measured." *Id.*

In addition, the Declarations of Paul M. Muchinsky, Ph.D. ("Muchinsky Declaration"), Exhibit B hereto, and Shelley W. Spilberg ("Spilberg Declaration"), Exhibit C hereto, provide further evidence of the clear distinction between qualifying and disqualifying instruments:

4. It is well known that, in the field of employment applicant screening, there are two basic approaches to the problem. On the one hand, applicants can be "screened in" by predicting whether a particular applicant is likely to be successful in a particular job; on the other hand, applicants can be "screened out" by predicting whether a particular applicant is likely to fail in a particular job. These two approaches to employment applicant screening manifest themselves in two fundamentally different types of instruments: qualifying instruments or disqualifying instruments. As might be expected, a qualifying instrument is used to "screen in" an applicant and a disqualifying instrument is used to "screen out" an applicant.

5. A qualifying instrument operates under the principle that applicants most likely to succeed in a particular job are screened in. Often applicants taking a qualifying instrument have already been administered a disqualifying instrument, and have not been screened out by the disqualifying instrument. The qualifying instrument, therefore, will not only predict the likely hood [sic] of a particular applicant's job success, but the likelihood of job success relative to other applicants in a pool. Qualifying tests typically include basic skills tests, cognitive ability and aptitude tests, physical ability tests and personality test indicators.

6. A disqualifying instrument is operates under the principle that applicants who are likely to fail, by exhibiting dysfunctional job behaviors, for example, are screened out of the selection pool. Often, disqualifying instruments are used first to screen out applicants that are likely to be unsuitable for a particular job. Applicants who are not screened out, are then given a qualifying instrument to determine relative likelihood of job success. Disqualifying instruments may include drug tests, medical exams, and honesty and integrity tests.

Muchinsky Declaration at ¶¶ 4-6; Spilberg Declaration at ¶¶ 4-6.

Thus, contrary to the unsupported assertion by the Office Action, and consistent with the evidence discussed above, one skilled in the art of employment screening would appreciate the clear theoretical distinction between qualifying and disqualifying employment screening instruments and the importance of selecting an appropriate instrument. Such a skilled artisan would not be motivated to combine the teachings relating to a qualifying instrument, such as that disclosed in Bonstetter, with the teachings of a disqualifying instrument, such as that disclosed in Sarchione, regardless of whether the motivation was to increase the accuracy of predicting job success via a qualifying instrument or to increase the accuracy of predicting dysfunctional behaviors via a disqualifying instrument. Muchinsky Declaration at ¶ 9; Spielberg Declaration at ¶9. Indeed, given the diametrically opposed approaches of Bonstetter and Sarchione, the only possible motivation or suggestion to combine these references is through impermissible hindsight.

a. The Proposed Modification of Bonstetter by the Teaching of Sarchione Renders Bonstetter Unsatisfactory For Its Intended Purpose

It is well established that, if a proposed modification would render the prior art being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. MPEP 2145.01; *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).

Here, the Office Action proposes to modify Bonstetter, which uses behavior and values to predict job success, by using life history information to predict a predefined negative outcome. Such a combination, however, would render Bonstetter unsatisfactory for its intended purpose as a qualifying instrument. As the Office Action accurately points out, an object of the invention disclosed in Bonstetter is to provide a method “which produces more accurate predictions of job *success*.” Col. 2, lines 36 – 37 (emphasis added). Another object of the invention disclosed in

Bonstetter is to provide a method “which identifies specific factors required to be *successful* for a particular job at a particular company. Col. 2, lines 39 – 41 (emphasis added).

The Office Action, however, makes a tortured argument that “Bonstetter suggests predicting success or ‘failure’, and thus the combination of Bonstetter with Peters and Sarchione is proper.” Final Office Action at p. 15 (emphasis in original). This is mischaracterization of the disclosure of Bonstetter. Bonstetter does not disclose or even remotely suggest that it uses behavior and values to predict whether an employment applicant will “follow policy.” Rather, “following policy” is simply a *behavioral factor*, along with eleven others (See Figs. 7A – 7K), that is used to predict job success. Bonstetter states, “As can be seen, twelve separate *behavioral factors* are set forth with horizontal graphs underneath each factor. Each of the twelve *behavioral factors* are selected specifically for the particular job; in this case a ‘management ‘ job.” Col. 9, lines 13-17 (emphasis added). Thus, the Office Action’s premise for the combination of Bonstetter and Sarchione, namely, that Bonstetter suggests predicting “failure” is false. Bonstetter does not in any way suggest predicting failure; it simply uses “following policy,” along with eleven other behavioral factors, to predict job *success*.

b. The Proposed Modification of Bonstetter and Sarchione Changes The Principle Of Operation Of Bonstetter

If a proposed modification or combination of the prior art would change the principle of operation of the prior art being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious. MPEP 2143.01; *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). Here, the principle of operation of Bonstetter is to use *behavior and values* to predict job *success* via a qualifying instrument. This principle of operation of Bonstetter is repeated throughout the disclosure. For example, the Abstract provides as follows:

A system for predicting potential of *success* of an individual for a particular job or task. *Behavioral and values* information is derived from the individual. This information is then analyzed and compared against standards for *behavior and values* previously calculated for the specific job. An evaluation can then be made of the applicant's responses to the standards to predict *success* of a perspective employee for the particular job, or to attempt to improve performance of a current employee for a specific job.

(Emphasis added). The Background of the Invention includes the following statement as to the

Field of the Invention:

The present invention relates to a method and system useful for predicting the *success* of an individual for a particular job, and in particular, using measured *behavioral and values* characteristics of the individual as part of the analysis.

Col. 1, lines 11-15 (emphasis added).

This dominant principle of operation is specifically and explicitly stated in no less than five (5) of the objects of the invention, including the primary object of the invention:

It is therefore a *primary object* of the invention to provide a method and system for *predicting success* of individuals for particular jobs which improves over the state of the art in accuracy.

A further object of the present invention is to provide a method as above-described which *predicts potential success* based on an analysis of information relating to both *behavior and values* of an individual.

* * *

Another object of the present invention is to provide a method as above-described which produces more accurate predictions of job *success*.

A still further object of the present invention is to provide a method as above described which identifies specific factors required to be *successful* for a particular job at a particular company.

* * *

Another object of the present invention is to provide a method as above described which could validate the type of ***behavior and values*** required to be ***successful*** for a particular job.

Col. 2, lines 20-30; 35-41; and 48-51 (emphasis added).

Clearly, the principle of operation of Bonstetter is using behavior and values to predict job success via a qualifying instrument and the principle of operation of Sarchione is using life history information to predict predefined negative outcomes via a disqualifying instrument. Muchinsky Declaration at ¶¶ 7-8; Spielberg Declaration at ¶¶ 7-8. This cannot be disputed. It is equally clear that modifying Bonstetter by including the teachings of Sarchione, which teaches using life history information to predict a negative outcome via a disqualifying instrument, would fundamentally change this principle of operation. Thus, it is legally impermissible to so modify Bonstetter, and/or combine Bonstetter with Sarchione to establish a prima facie case of obviousness.

c. The Bonstetter and Sarchione References Cannot Be Combined
Because Bonstetter Teaches Away from Their Combination

A prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention. MPEP 2141.02; *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Moreover, it is improper to combine references where the references teach away from their combination. MPEP 2145; *In re Grasselli*, 713 F.2d 731, 743, 218 USPQ 769, 779 (Fed. Cir. 1983).

Here, Bonstetter, as a whole, teaches away from the combination with Sarchione and the claimed invention. The Office Action's reply to this argument is to cite a single passage of Bonstetter, which states as follows:

Information regarding prior experience, training, and education of an individual many times is important in evaluating the potential of a person for a particular job. However, it has been found this alone also is not generally conducive to a highly accurate prediction rate for matching an employee with a particular job

Final Office Action at p. 18, citing, Bonstetter, col. 1, lines 27-32 (emphasis in Final Office Action). The Office Action then argues that “Bonstetter does not expressly disclose in this passage that prior experience, training, and education cannot be used to match an employee with a job. Id. (emphasis in original).

There is no legal requirement, however, that the primary reference (Bonstetter) expressly state that teachings of the secondary reference (Sarchione) are not possible. Nor is there any legal requirement that the primary reference (Bonstetter) expressly state that the claimed invention is not possible. Rather, a prior art reference must be considered in its entirety, i.e., as a whole. Here, as detailed above, Bonstetter, when considered in its entirety, clearly teaches away from the combination with Sarchione and the claimed invention.

Indeed, there are several passages in Bonstetter that do, in fact, suggest that job success cannot be predicted using life history information, i.e., prior experience, training, and education. In addition to the above-quoted passage, Bonstetter states:

It is to be understood that the present system allows the company to screen or analyze individuals for particular jobs *in a manner that is independent of anything except behavior and values*. It allows the company to avoid potentially biasing factors and to have a consistent expert system to allow evaluation of individuals.

Col. 25, lines 35-40 (emphasis added). Bonstetter further states:

A central portion of the invention is the understanding that merger of information on *both behavior and values is more effective at predicting job performance success than behavior individually, values individually, or other types of information*.

Col. 26, lines 3-7 (emphasis added).

2. Even if Bonstetter, Peters and Sarchione Were Properly Combinable, The Office Action Does not Demonstrate a Reasonable Expectation of Success.

The prior art can be modified or combined to reject claims as *prima facie* obvious as long as there is a reasonable expectation of success. MPEP 2143.02; *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Here, given the diametrically opposed approaches of Bonstetter and Sarchione to the problem of screening applicants for employment, there is not reasonable expectation of successfully combining those approaches. Indeed, the Office Action fails to even assert that there is a reasonable expectation of successfully combining Bonstetter and Sarchione, much less articulate a rationale as to how such a successful combination could be reasonably expected. In contrast, Applicant asserts evidence of the clear distinction between the approaches of Bonstetter and Sarchione, and a reasoned argument as to why the two references could not be successfully combined. See, generally, Muchinsky Declaration and Spielberg Declaration. Specifically, Bonstetter's approach to the problem of screening employment applicants is to use *behavior and values* to predict *success*, while Sarchione discloses using *life history information* to predict a predefined, *negative outcome*. Of course, neither Bonstetter nor Sarchione teach the use of stem and branch questions to more accurately obtain such life history information from the applicant and to reduce positive response bias.

For each of the reasons set forth above, the Office Action has failed to meet the burden of establishing a *prima facie* case of obviousness. Therefore, Claim 1 is allowable. Independent Claim 15, which is directed to a computer readable medium comprising software, and Claim 52, which is a method claim, are allowable for the same reasons. In addition, each of the Claims that depend on Claims 1, 15 or 52 are also allowable. See MPEP 2143.03 ("If an independent claim

is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious:" citing, *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

B. The Office Action Has Provided No Proper Grounds for Rejecting Claims 11-13, 48-50, and 63-65.

With respect to Claims 11 – 13, the Office Action asserts incorrectly that "Claims 11-13 repeat the same limitations as claim 1." Office Action at 10.

Claim 11, however, adds the limitation that "the response to the at least one hidden branch question is relevant to at least one negative indicator." This limitation is not the same as any of the limitations in Claim 1 and, therefore, Claim 11 is allowable.

Claim 12 adds the limitation that "the negative indicator is a critical item." This limitation is not the same as any of the limitations in Claim 1 and, therefore, Claim 12 is allowable.

Claim 13 adds the limitation that "the occurrence of the negative indicator is relevant to predicting the predefined negative outcome for the applicant." This limitation is not the same as any of the limitations in Claim 1 and, therefore, Claim 13 is allowable.

Claims 48-50 and 63-65 contain the same essential limitations as Claims 11-13 and, therefore, are allowable for the same reasons that Claims 11-13 are allowable.

C. The Office Action Has Provided No Proper Grounds for Rejecting Claim 14, 51 and 66.

With respect to Claim 14, the Office Action admits that none of the cited references, Bonstetter, Peters or Sarchione, disclose a method to obtain life history information, wherein the stem question response is "unable to be altered by the applicant after completion of the question collection." Office Action at page 10. The Office Action, however, asserts, without any

support, that “typically when asking questions related to employment using a computer, the system prevents a user from returning to change answers to previous questions.” *Id.* Recognizing the lack of any support for this assertion, the Office Action then argues that it would be obvious to a skilled artisan to include “the feature of preventing the altering of previously answered questions with the method taught collectively by Bonstetter, Peters and Sarchione.” *Id.* The purported motivation being “receiving answers to questions accurately from applicants” and “preventing tampering of responses to survey questions.” *Id.*

As set forth in MPEP 2143.01, “There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art.” *In re Rouffet*, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998) (The combination of the references taught every element of the claimed invention, however without a motivation to combine, a rejection based on a *prima facie* case of obvious was held improper.). First, the Office Action does not assert that the motivation to modify the method taught collectively by Bonstetter, Peters and Sarchione is based on the nature of the problem to be solved. Second, the teachings of the prior art do not provide a motivation to so modify the three references. None of the references disclose the “motivation” of “preventing tampering with responses to survey questions,” and the Office Action fails to cite any reference for this purported motivation. As to the purported “motivation” of “receiving answers to questions accurately,” the cited passage from Bonstetter, col. 1, lines 17-25, simply does not disclose such a motivation. Rather, the cited passage discusses the problem of accurately predicting job success:

It is difficult to accurately predict or analyze the tendency or potential for success a person may have for a particular job or task. This is especially true if one has no personal experience with the individual. Predictions regarding how well a person will do a job

on the basis of simply a resume or personal interview are imprecise. Some studies have indicated that the accuracy of such predictions is no more than in the 10% range, if based simply on personal interviews.

Col. 1, lines 17.-25.

In addition, it does not make sense to assert that the motivation of “receiving answers to questions accurately” would cause a skilled artisan to so modify the method taught collectively by Bonstetter, Peters and Sarchione. As discussed in the specification, the reason that a stem question response cannot be altered by the applicant after completion of the question collection is to minimize positive response bias:

Once the responses to a question collection are saved, the applicant is unable to edit the responses. By prohibiting the applicant from changing or altering his answers, *the positive response bias is minimized* because it is more difficult for the applicant to anticipate the specific information that will be later requested and/or change responses to eliminate inconsistencies.

Specification, page 13, lines 16-20 (emphasis added).

Claims 51 and 66 contain the same essential limitations as Claim 14 and, therefore, are allowable for the same reasons that Claim 14 is allowable.

D. Even If the Office Action Met the Burden of Establishing a Prima Facie Case of Obviousness, Which It Has Not, There Is Ample Evidence of Nonobviousness.

Objective evidence or secondary considerations such as unexpected results, commercial success, long-felt need, failure of others, copying by others, licensing, and skepticism of experts are relevant to the issue of obviousness and must be considered in every case in which they are present. MPEP 2141. When evidence of any of these secondary considerations is submitted, the examiner must evaluate the evidence. The weight to be accorded to the evidence depends on the individual factual circumstances of each case. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530,

218 USPQ 871 (Fed. Cir. 1983); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 231 USPQ 81 (Fed. Cir. 1986), *cert. denied*, 480 U.S. 947 (1987). The ultimate determination on patentability is made on the entire record. *In re Oetiker*, 977 F.2d 1443, 1446, 24 USPQ2d 1443, 1445 (Fed. Cir. 1992).

Here, the Declaration of James E. Seiber ("Seiber Declaration), Exhibit D hereto, and Ellen B. Cuttler ("Cuttler Declaration"), Exhibit E hereto, provide ample evidence of nonobviousness.

1. The Claimed Invention Has Yielded Significant, Unexpected Results.

A greater than expected result is an evidentiary factor pertinent to the legal conclusion of obviousness of the claims at issue. MPEP 716.02(a). Applicants may show that the results were greater than those which would have been expected from the prior art to an unobvious extent, and that the results are of a significant, practical advantage. *Id.*, citing, *Ex parte The NutraSweet Co.*, 19 USPQ2d 1586 (Bd. Pat. App. & Inter. 1991).

Whether the unexpected results are the result of unexpectedly improved results or a property not taught by the prior art, the objective evidence of nonobviousness must be commensurate in scope with the claims which the evidence is offered to support. MPEP 716.02(a).

Here, the Seiber Declaration provides evidence of significant, practical, unexpected results flowing from the claimed invention. Mr. Seiber is the Executive Director of the Illinois State Police Merit Board and is responsible for recruiting and selecting applicants for employment as Troopers with the Illinois State Police. Seiber Declaration at ¶1. The Illinois State Police Merit Board has been a client of Applicant Law Enforcement Services, Inc. since 1992. *Id.* at ¶ 2. Mr. Seiber is familiar with Applicant's ONLINE PHQ product and is also

familiar with the usage and availability of employment applicant screening instruments in the law enforcement field. Id. at ¶ 3.

As detailed in the Seiber Declaration, prior to the introduction the employment screening instrument of the present invention in March 2000, the Illinois State Police used polygraph tests to screen out applicants for employment because the veracity of the life history information obtained by conventional techniques, was so low. Seiber Declaration at ¶ 4. The Illinois State Police Merit Board began Applicant's ONLINE PHQ product in approximately March 2000. Id. at ¶ 5.

The Illinois State Police Merit Board used Applicant's ONLINE PHQ product for a single selection cycle, and the increased veracity of the life history information obtained via the ONLINE PHQ product made routine use of polygraph examinations for law enforcement employment applicants unnecessary. Id. at ¶ 6. Mr. Seiber declares that he expected that obtaining life history information using a computerized system would be a more efficient method of obtaining such information than obtaining such information manually, and that products, such as the ONLINE PHQ, which use stem questions and revealed branch questions, wherein the answer to the stem question cannot be changed by the applicant after the branch questions is revealed, would result in more truthful life history information. Id. at ¶ 7. However, Mr. Seiber also declares that the ONLINE PHQ product resulted in applicants for employment providing significantly more truthful life history information than he expected. Id. Indeed, Mr. Seiber declares that while he expected that the Illinois State Police Merit Board would experience a degree of increase in the veracity of the life history information by using a product such as the ONLINE PHQ, he did not expect that the Illinois State Police would be able to substantially eliminate routine use of polygraph tests in connection with screening applicants for law

enforcement employment. Id at ¶ 9. Since March 2000, the Illinois State Police has required all applicants for employment (approximately 2000) to provide background information via the ONLINE PHQ product. Id. at ¶ 10.

Importantly, the Seiber Declaration makes clear that the significant, unexpected results experienced by the Illinois State Police Merit flowed from the claimed features of the invention:

11. The Illinois State Police is making such extensive and widespread use of LESI's ONLINE PHQ product because it provides significantly more truthful life information for law enforcement employment applicants. The product provides more truthful information because stem questions are presented and the branch question is revealed only after the applicant answers the related stem questions. Thus, the applicant is unlikely to discern a relationship between the stem question and the later revealed branch question and is more likely to provide truthful information to the revealed branch question and/or is less likely to provide a positively biased response.

12. In addition, even if an applicant is able to discern the relationship between a stem question and a later revealed branch question, the ONLINE PHQ product electronically "locks" the answer to the stem question, so that the applicant is unable to change the response to the stem question after the branch question is revealed.

Seiber Declaration at ¶¶ 11-12.

In summary, the evidence submitted provides evidence of significant, unexpected practical results flowing from the claimed features of the invention. Such evidence of nonobviousness should result in the allowance of the pending claims, even if the Office Action had established a prima facie case of obviousness, which it has not.

2. The ONLINE PHQ Product Has Been Commercially Successful Because of the Claimed Features of the Invention.

An applicant who is asserting commercial success to support its contention of nonobviousness bears the burden of proof of establishing a nexus between the claimed invention

and evidence of commercial success. MPEP 716.03. The Federal Circuit has acknowledged that applicant bears the burden of establishing nexus, stating:

In the *ex parte* process of examining a patent application, however, the PTO lacks the means or resources to gather evidence which supports or refutes the applicant's assertion that the sale constitute commercial success. *C.f. Ex parte Remark*, 15 USPQ2d 1498, 1503 (Bd. Pat. App. & Int. 1990)(evidentiary routine of shifting burdens in civil proceedings inappropriate in *ex parte* prosecution proceedings because examiner has no available means for adducing evidence). Consequently, the PTO must rely upon the applicant to provide hard evidence of commercial success.

Objective evidence of nonobviousness, including, commercial success, must be commensurate in scope with the claims. MPEP 716.03(a).

The Seiber and Cuttler Declarations provide evidence of commercial success and a nexus between the commercial success and the evidence of commercial success. The Cuttler Declaration provides evidence of substantial increases in gross revenues, over time, from the ONLINE PHQ product. Specifically, the ONLINE PHQ product was introduced in 2000, generating gross sales of \$6225 based on 145 units.¹ Cuttler Declaration at ¶ 5. In the most recent calendar year, gross sales were \$147,117 based on sales of 3525 units. *Id.* As can be appreciated, such sales increases are highly probative of the commercial success of the ONLINE PHQ product.

As indicated in the Seiber Declaration, there is a clear connection between the commercial success of the ONLINE PHQ product and the features of the claimed invention. Specifically, the Seiber Declaration states that the ONLINE PHQ product provides more truthful information because the branch question is revealed only after the applicant answers the related stem questions. Thus, the applicant is unlikely to discern a relationship between the stem

¹ A "unit" represents an employment applicant that provides life history information via the ONLINE PHQ product. Cuttler Declaration at ¶ 6.

question and the later revealed branch question and is more likely to provide truthful information to the revealed branch question and/or is less likely to provide a positively biased response. Seiber Declaration at ¶ 11. In addition, the Seiber Declaration states that even if an applicant is able to discern the relationship between a stem question and a later revealed branch question, the ONLINE PHQ product electronically “locks” the answer to the stem question, so that the applicant is unable to change the response to the stem question after the branch question is revealed. Seiber Declaration at ¶ 12.

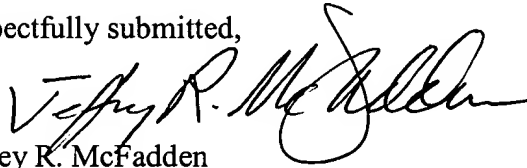
As indicated by the Cuttler Declaration, from 2000-2003, Applicant expended a mere \$20,486 on advertising and promotion of the ONLINE PHQ product through trade shows and direct mail advertising. Cuttler Declaration ¶ 7. Applicant has not expended any money on print, radio or television advertising. Id. Indeed, customers typically learn of the ONLINE PHQ product from word-of-mouth “advertising.” Id. In addition, LESI has no dedicated sales personnel for the ONLINE PHQ product, the sales functions being performed by Ellen Cuttler, who is also the President of LESI. Cuttler Declaration at ¶ 8. Thus, the commercial success of the claimed invention cannot be attributed to advertising and promotion.

In summary, the evidence submitted provides evidence of significant commercial success of the claimed invention and evidence of a clear connection between such commercial success and the claimed features of the invention. Such evidence of nonobviousness should result in the allowance of the pending claims, even if the Office Action had established a prima facie case of obviousness, which it has not.

Conclusion

Applicant believes that this case is now in condition for an immediate allowance with Claims 1- 2, 6-15, 17, 25-31, and 47-72, and such action is respectfully requested. If any issue remains unresolved, Applicant's counsel would appreciate the opportunity for a telephone interview to expedite allowance.

Respectfully submitted,



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